

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 AGRE-00 SP-02 USIA-06
AID-05 EB-07 NSC-05 EPG-02 TRSE-00 SS-15 STR-04
OMB-01 CEA-01 L-03 H-01 PA-01 PRS-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 ITC-01 /088 W
-----109446 081930Z /53

P R 081825Z JUL 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC PRIORITY 9672
INFO AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE

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USEEC ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: EAGR, GW
SUBJECT: IMPORT DUTIES FRESH CRANBERRIES AND BLUEBERRIES

REF: A. BONN 08588; B. BRUSSELS 07539; C. 07459

SUMMARY: A RECENT DECISION OF THE EC COMMITTEE ON
ECONOMICS AND TARIFF PROBLEMS TO REVISE CXT POSITIONS
0808B AND 0808C VIOLATES EXISTING GATT BINDINGS FOR
CRANBERRIES AND BLUEBERRIES AND WILL HAVE A NEGATIVE
EFFECT ON FUTURE US SHIPMENTS TO GERMANY AND THE EC
IF PERMITTED TO BECOME PART OF THE CXT.

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GERMAN OFFICIALS, HOWEVER, INFORMED US THAT THIS
COMMITTEE DECISION MUST ALSO BE PASSED BY THE COUNCIL
OF MINISTERS AND WILL BE VETOED THERE BY THE GERMAN
DELEGATION. END SUMMARY.

1. FEDMINAG HAS INFORMED US OF A DECISION MADE AT
JOINT ECONOMICS AND TARIFF PROBLEMS COMMITTEE MEETING

IN BRUSSELS ON JULY 16, 1977. THIS DECISION WOULD REWORD CXT POSITIONS 0808 B AND C IN SUCH A WAY THAT IMPORTS UNDER POSITION 0808 B WOULD BE CLEARLY LIMITED TO VACCINIUM VITIS IDAEA, I.E. WILD LINGONBERRIES EXCLUDING CULTIVATED CRANBERRIES (VACCINIUM MACROCARPON) AND IMPORTS UNDER 0808 C BE LIMITED TO VACCINIUM MYRTILLUS, I.E. BILBERRIES EXCLUDING US TYPE CULTIVATED BLUEBERRIES (V. CORYMBOSUM). IF THIS DECISION TAKES EFFECT - NOW PLANNED FOR JANUARY 1, 1978 - US FRESH CRANBERRY SHIPMENTS WILL NOT ENJOY THE GATT BOUND ZERO RATE NOR WILL BLUEBERRIES ENTER UNDER THE GATT BOUND 4 PERCENT DUTY. BOTH FRUITS WOULD THEN CLEARLY BE GROUPED UNDER 0808F "OTHER" BERRIES AND BE SUBJECT TO A DUTY OF 12 PERCENT.

2. THE COMMISSION'S PROPOSED REVISION DOES, HOWEVER, CORRESPOND WITH THE PRESENT WORDING OF THE CXT AND GERMAN TARIFF INTERPRETATIONS. THE PROPOSAL WAS SUPPORTED BY THE EIGHT OTHER MEMBER COUNTRIES. AS A RESULT OF UNFORTUNATE CIRCUMSTANCES - I.E. THE ABSENCE OF THE REGULAR GERMAN DELEGATES AND LACK OF INFORMATION ON THE PART OF THEIR ALTERNATES - THE GERMAN DELEGATION, UNDER PRESSURE FROM THE OTHER DELEGATIONS, AGREED TO THE PROPOSAL. THEIR ACTION RUNDS COUNTER TO THE EARLIER STATED INTENTION OF FEDMINAG AND FEDMINFIN TO SEEK A MORE LIBERAL WORDING OF THE CXT INTERPRETATION (SEE LIMITED OFFICIAL USE

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REF. A.). THE COMMISSION PROPOSAL WAS ALSO MADE BEFORE THE COUNTER PROPOSAL STILL BEING PREPARED BY FEDMINFIN ON THE BASIS OF OUR REQUEST (REF. A.) COULD BE FORMALLY TRANSMITTED TO THE COMMISSION.

3. EMBASSY REPRESENTATIVE DISCUSSED THE NEW SITUATION WITH GERMAN OFFICIALS IN DETAIL, AGAIN STRESSING THE US POSITION AND ECONOMIC INTEREST. THE GERMAN REPRESENTATIVES NOW REALIZE THEIR ERROR IN AGREEING TO THE EC COMMISSION'S PROPOSAL, BUT STATED THAT THE JOINT COMMITTEE'S DECISION MUST ALSO BE PASSED BY THE COUNCIL OF MINISTERS BEFORE IT IS FINAL. WE HAVE REPEATED ASSURANCES THAT GERMANY WILL VETO ANY COMMISSION PROPOSAL BASED ON THE JOINT COMMITTEE DECISION. RANY IS IN A POSITION TO STOP THE PROPOSAL SINCE UNANIMITY IS REQUIRED IN THE COUNCIL.

4. GERMAN OFFICIALS INQUIRED REGARDING ANY POSSIBLE US ASSISTANCE IN THEIR EFFORTS TO RESOLVE THIS PROBLEM ON THE BASIS SUGGESTED EARLIER BY EMBASSY (REF A.). WE MENTIONED THAT THE US MIGHT CONSIDER EXPLAINING ITS POSITION TO SOME OF THE OTHER

MEMBER COUNTRIES, HOPING THAT THEIR DELEGATIONS WOULD SUPPORT THE GERMAN DELEGATION IN ANY FUTURE MEETINGS ON THIS MATTER IN BRUSSELS. GERMAN OFFICIALS WELCOMED THIS IDEA AND SUGGESTED U.S. TALK TO APPROPRIATE OFFICIALS IN GREAT BRITAIN, IRELAND AND THE NETHERLANDS.

5. ACTION WASHINGTON: WE SUGGEST THAT WASHINGTON REQUEST US AGATTACHES TO THESE EC COUNTRIES EXPLAIN TO RESPONSIBLE NATIONAL OFFICIALS, THE U.S. ECONOMIC INTEREST IN OBTAINING A REVISION OF CXT OR CXT NOTES

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FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 9673

INFO AMEMBASSY BRUSSELS

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WHICH WOULD MAINTAIN THE LOWER TARIFFS, DISCUSS THE GATT BINDINGS IN CONJUNCTION WITH THE TRADE HISTORY FOR U.S. CRANBERRIES AND BLUEBERRIES, AND EMPHASIZE TO THE HOST COUNTRIES THEIR OWN INTEREST IN MAINTAINING LOW COST IMPORTS FROM THE U.S. AGATTACHES SHOULD ASK RESPECTIVE NATIONAL OFFICIALS TO HAVE THEIR DELEGATION SUPPORT THE GERMAN EFFORTS IN FUTURE MEETINGS ON THIS MATTER IN BRUSSELS.

6. ACCORDING TO OUR INFORMATION, THE COMMISSION

HAS NOT PREPARED A PROPOSAL PROVIDING A SEPARATE
TARIFF ITEM FOR FRESH REPEAT FRESH AMERICAN BLUBERRIES
AND CRANBERRIES AS STATED IN REF B. PARA 1 LINE 9
THROUGH 13. SUCH SEPARATE CATEGORIES WERE, HOWEVER,
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ESTABLISHED FOR FROZEN BLUEBERRIES AND CRANBERRIES,
AS INDICATED IN REF C. WE FEEL THAT GERMAN PERM
DEL'S STATEMENT IN FACT REFERS TO THE ACTION ALREADY TAKEN FOR
FROZEN BERRIES. GIVEN THE PRESENT WORDING OF THE TARIFF
SCHEDULE AND THE OFFICIAL TARIFF INTERPRETATION,
SEPARATE TARIFF ITEMS WERE NECESSARY FOR LEGAL REASONS
TO ESTABLISH THE PREFERENTIAL RATES FOR THE US CULTI-
VATED FROZEN BERRIES.

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Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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